

Automated Teller Machines or 24-hour Tellers are electronic terminals that permit you to bank at almost any time of the day or night. To withdraw cash, make deposits, or transfer funds between accounts, you generally insert a special ATM card and enter your personal identification number (PIN).

An access device is a card, code, or other means of gaining access to your account for the purpose of initiating electronic fund transfers. The means may vary from institution to institution, but most use a **PIN** for this purpose. This unique number should be known only to you and to select employees of the financial institution.

Before you contract for electronic funds transfer services or make your first electronic transfer, the institution is required to disclose to you the following information in a form you can keep.

- ◆ A summary of your liability for unauthorized transfers.
- ◆ The telephone number and address of the person to be notified when you believe that an unauthorized transfer has been or may be made, along with a statement of the institution's "business days." This information will tell you the number of days you have to report suspected unauthorized transfers.
- ◆ The type of transfers you can make, the amount of any charges for transfers, and any limitations on the frequency and dollar amount of transfers.
- ◆ A summary of your right to receive documentation of transfers, of your right to stop payment on a pre-authorized transfer, and the procedures to follow to stop payment.
- ◆ A notice describing the procedures you must follow to report an error on a receipt for an EFT, how to request more information about a transfer listed on your statement, and the time period in which you must make your report.
- ◆ A summary of the institution's liability to you if it fails to make or stop certain transactions.
- ◆ Circumstances under which the institution will disclose information to third parties concerning your account.

In addition to these disclosures, you will receive for most transactions two other types of important papers -- **terminal receipts and periodic statements**. (Separate rules apply to passbook accounts from which pre-authorized transfers are drawn. Your contract for that account is the best source of information about those rules.) You are entitled to a terminal receipt each time you initiate an electronic transfer, whether you use an ATM or make a point-of-sale electronic transfer. Among other things, the receipt must show the date and the amount of the transfer and the type of the transfer, such as "transfer from savings to checking." When you make a point-of-sale transfer, you probably will get your terminal receipt from the salesperson. If you make a withdrawal from a cash-

dispensing machine that cannot issue receipts, the institution is required to mail you a receipt on the next business day following the transfer.

New provisions to the Electronic Funds Transfer Act

ATM operators that impose a fee for providing electronic fund transfer services must post a notice in a prominent and conspicuous location on or at the ATM. The operator must also disclose that a fee will be imposed and the amount of the fee, either on the screen of the machine or on a paper notice, before the consumer is committed to completing the transaction. In addition, when the consumer contracts for an electronic fund transfer service, financial institutions are required to provide initial disclosures, including a notice that a fee may be imposed for electronic fund transfers initiated at an ATM operated by another entity.

You also are entitled to a periodic statement for each statement cycle in which an electronic transfer is made. This statement must show, among other things, the amount of any transfer, the date it was credited or debited to your account, the type of transfer and type of account(s) to or from which funds were transferred, and the address and telephone number to be used for inquiries. You are entitled to a quarterly statement even if you made no electronic transfers within that quarter.

Keep and compare your EFT receipts with your periodic statements each month in the same way you compare your credit card invoices with your monthly credit card statement or your checks against your monthly bank statements. Doing so will enable you to make the best use of your rights under federal law to dispute errors and avoid liability for unauthorized transfers.

ERRORS

You have 60 days from the date a problem or error appears on your periodic statements or terminal receipt to notify your financial institution. The best way to protect yourself in the event of an error (or a lost or stolen ATM or EFT card) is to notify the issuer by certified letter, return receipt requested, so you can prove that the institution received your letter. Keep a copy of the letter you send for your records.

After notification about an error on your statement, the institution has 10 business days to investigate and tell you the results. If the institution needs more time, it may take up to 45 days to complete the investigation -- but only if the money in dispute is returned to your account and you are notified promptly of the credit. At the end of the investigation, if no error is found, the institution may take the money back, if it sends you a written explanation.

If you fail to notify the institution of the error within 60 days, you may have little recourse. Under federal law, the institution has no

obligation to conduct an investigation if you have missed the 60-day deadline.

If your failure to notify the institution within the time periods allowed was due to an extenuating circumstance, such as lengthy travel or illness, the issuer must extend the time period for notification to what is reasonable. Also, if state law or your contract imposes lower liability limits, those lower limits apply instead of the limits in the federal EFT Act.

LOST OR THEFT OF ATM CARD

After reporting the loss or theft of your ATM card, you are not liable for additional unauthorized transfers that may be made. Because these unauthorized transfers may appear on your statements, however, you should carefully review each statement you receive after you report the loss or theft. If the statement shows transfers that you did not make or that you need more information about, contact the institution immediately, using the special procedures provided for reporting errors.

If you report an ATM card missing *before* it's used without your permission, the EFTA says the card issuer cannot hold you responsible for any unauthorized withdrawals. If unauthorized use occurs before you report it, the amount you can be held liable for depends upon how quickly you report the loss. For example, if you report the loss within two business days after you realize your card is missing, you will not be responsible for more than \$50 for unauthorized use.

However, if you don't report the loss within two business days after you discover the loss, you could lose up to \$500 because of an unauthorized withdrawal. You risk *unlimited* loss if you fail to report an unauthorized transfer or withdrawal within 60 days after your bank statement is mailed to you. That means you could lose all the money in your bank account and the unused portion of your line of credit established for overdrafts.

If unauthorized transactions show up on your bank statement, report them to the card issuer as quickly as possible. Once you've reported the loss of your ATM card, you cannot be held liable for additional amounts, even if more unauthorized transactions are made.

LIMITED STOP-PAYMENT PRIVILEGES

When you use an electronic fund transfer, the EFT Act does not give you the right to stop payment. If your purchase is defective or if your order is not delivered, it is up to you to resolve the problem with the seller and get your money back -- just as if you had paid cash.

There is one situation, however, in which you can stop payment. If you have arranged regular payments out of your account to third parties, such as life insurance companies, you can stop payment if you notify your institution at least three business days before the scheduled transfer. The notice may be oral or written, but the

institution may require a written follow-up to be made within 14 days of the oral notice. Your failure to provide the written follow-up ends the institution's responsibility to stop payment. This right to stop payment does not apply to mortgage or loan payments you owe to the institution that issued the EFT access device.

Although federal law provides only limited rights to stop payment, individual financial institutions may offer more rights or state laws may require them. If this feature is important to you, you may want to shop around to be sure you are getting the best "stop payment" terms available.

Protecting Your Cards

The best protections against card fraud are to know where your cards are at all times and to keep them secure. For ATM card protection, it's important to keep your Personal Identification Number (PIN) a secret. Don't use your address, birth date, phone or social security number. Memorize the number. Statistics show that in one-third of ATM card frauds, cardholders wrote their PINs on their ATM cards or on slips of paper kept with their cards.

The following suggestions may help you protect your ATM card accounts.

- Don't carry your PIN in your wallet or purse or write it on your ATM card.
- Never write your PIN on the outside of a deposit slip, an envelope, or on a postcard.
- Take your ATM receipt after completing a transaction.
- Reconcile all ATM receipts with bank statements as soon as possible.

USING YOUR ATM CARD

ATM cards linked to the PLUS or CIRRUS networks, give you the option of using it to obtain cash virtually anywhere in the U.S. and in over 120 countries worldwide. The CIRRUS Network currently has over 465,000 ATMs worldwide; and the PLUS has 531, 000.

When you plan to use your ATM card, make sure that the Cirrus or PLUS networks are readily available where you're going. While Cirrus and PLUS ATMs are increasingly common worldwide, they are still only available at a limited number of banks in selected countries. Your bank should be able to give you a listing of all ATMs available. CIRRUS users can also call (800) 424-7787 for a current list of locations worldwide. The PLUS system has a toll-free ATM locator as well at (800) 843-7587 which lists only U.S. and Canadian ATM locations.

The PLUS network is associated with VISA so your VISA card will usually work at those ATMs as well and vice versa. The Cirrus network is associated with Mastercard and Cirrus ATMs usually accept Mastercard for cash advances and vice versa.

Both CIRRUS and PLUS have ATM locators online as well: [Mastercard/Cirrus ATM Locator](http://www.mastercard.com/atm) at: <http://www.mastercard.com/atm>
[Visa ATM Locator](http://www.visa.com/cgi-bin/vee/pd/atm/main.html?2+0) at <http://www.visa.com/cgi-bin/vee/pd/atm/main.html?2+0>

Using Your Card Overseas

If you want to use your ATM card overseas, keep in mind that many ATMs abroad, particularly in Europe, do not accept PINs that are longer than **four** digits. If your PIN is longer, you can go to your local bank and have it changed. If your PIN is based on letters rather than numbers, translate the letters into numbers before leaving the country. Most ATMs only had numbers on the keypad. Also, keep in mind that most ATMs abroad will only let you access the primary account on your ATM card.

Cirrus and PLUS ATMs overseas work very much like they work at home. You will probably be charged the same transaction fee, if any, that your bank charges you when using other bank's ATMs. However, you should check with your bank before using your ATM card at non-branch ATMs or abroad. ATM transaction fees are becoming more commonplace and increasingly surcharges are being imposed by both the customer's bank and the ATM's owner as well. Some banks are reportedly charging as much as \$5 per transaction for the use of overseas ATMs, however, most banks have much more reasonable fees.

The biggest advantage of exchanging money with your ATM card is that all cash withdrawals, regardless of size, are exchanged based on the wholesale exchange rate which is usually reserved only for very large interbank exchanges. This rate is often 25% better than what you can get from exchanging traveler's checks at a local exchange counter. In addition, local banks or money change bureaus will add on transaction fees which can easily eat up another 2% of your money.

Tips For ATM Usage at Home and Abroad

- Observe your surroundings - if the machine is poorly lit, or is in a hidden area, use another location.
- Make sure that no one waiting behind you can see you entering your PIN number.
- Don't count your cash while standing at the ATM.
- If you are using an indoor ATM that requires your card to open the door, avoid letting anyone come in with you that you do not know.
- Do not throw away your receipt at the ATM, take it with you.
- If you lose your Visa card or your ATM card, contact the financial institution that issued your card immediately.

ATM CARDS



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